

291 - UNEMPLOYMENT INSURANCE INTERNAL SERVICE FUND

Operational Summary

Description:

The Unemployment Internal Service Fund (ISF) provides for self insurance of unemployment claims, administrative fees and related programs associated with the State mandated unemployment insurance program.

Strategic Goals:

- Fund 291 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

FY 2004-05 Key Project Accomplishments:

- A \$3.2 million refund to departments/agencies occurred in FY 04-05 to reduce the fund balance per recommendation of State audit.

Unemployment ISF - The Unemployment Insurance Internal Service Fund (ISF) provides for self insurance of unemployment claims, administrative fees and related programs associated with the State mandated unemployment insurance program.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Fund 291 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

At a Glance:

| | |
|--|-----------|
| Total FY 2004-2005 Actual Expenditure + Encumbrance: | 859,706 |
| Total Final FY 2005-2006 | 8,455,314 |
| Percent of County General Fund: | N/A |
| Total Employees: | .00 |

Changes Included in the Base Budget:

The funding for unemployment claims is higher based on increases in unemployment benefits paid to separated employees. Increases in mandated weekly benefits resulted in increases in unemployment costs. The actuarial analysis of this fund has determined that the current rate of .0015 of payroll being charged to County departments is appropriate to fund current claims and administration expenses and that there are current reserves sufficient to fund potential economic downturns or internal labor market issues.

291 - Unemployment Insurance Internal Service Fund

Operation of Internal Service Fund

Operational Statement for the Fiscal Year 2005-2006

| Operating Detail | | FY 2003-2004 | FY 2004-2005 | FY 2005-2006 | FY 2005-2006 |
|---|--|--------------|--------------|-----------------|--------------|
| | | Actual | Actual | Proposed Budget | Final Budget |
| (1) | | (2) | (3) | (4) | (5) |
| OPERATING INCOME | | | | | |
| 7710 | Insurance Premiums | 1,588,356 | (1,640,818) | 1,626,326 | 1,626,326 |
| Total Operating Income | | 1,588,356 | (1,640,818) | 1,626,326 | 1,626,326 |
| OPERATING EXPENSES | | | | | |
| Services & Supplies | | | | | |
| 1900 | Professional and Specialized Services | 37,393 | 57,441 | 65,376 | 65,376 |
| 1911 | CWCAP Charges | 13,597 | 9,154 | 10,288 | 10,288 |
| Total Services & Supplies | | 50,990 | 66,595 | 75,664 | 75,664 |
| Other Charges | | | | | |
| 3510 | Other Charges - Operating | 1,248,475 | 786,025 | 8,370,650 | 8,370,650 |
| Total Other Charges | | 1,248,475 | 786,025 | 8,370,650 | 8,370,650 |
| Total Operating Expenses | | 1,299,465 | 852,620 | 8,446,314 | 8,446,314 |
| Total Operating Income (Loss) | | 288,891 | (2,493,438) | (6,819,988) | (6,819,988) |
| NON-OPERATING REVENUE | | | | | |
| 6610 | Interest | 92,500 | 167,306 | 198,903 | 198,903 |
| 7670 | Miscellaneous Revenue | 1,989 | 1,868 | 0 | 0 |
| Total Non-Operating Revenue | | 94,489 | 169,174 | 198,903 | 198,903 |
| NON-OPERATING EXPENSES | | | | | |
| 1912 | Investment Administrative Fees | 7,987 | 7,087 | 9,000 | 9,000 |
| Total Non-Operating Expenses | | 7,987 | 7,087 | 9,000 | 9,000 |
| Net Non-Operating Income (Loss) | | 86,502 | 162,087 | 189,903 | 189,903 |
| Income (Loss) Before Contributions & Transfers | | 375,393 | (2,331,351) | (6,630,085) | (6,630,085) |
| STATEMENT OF CHANGES IN NET ASSETS - UNRESTRICTED | | | | | |
| Income (Loss) Before Contributions & Transfers | | 375,393 | (2,331,351) | (6,630,085) | (6,630,085) |
| 7810 | Interfund Transfers In - from Fund 100 | 3,260,154 | 0 | 0 | 0 |
| Changes to Reserves - Encumbrance - (Inc)/Dec. | | 24,250 | 0 | 0 | 0 |
| Increase (Decrease) in Net Assets - Unrestricted | | 3,659,797 | (2,331,351) | (6,630,085) | (6,630,085) |
| Net Assets - Unrestricted - Beginning of Year | | 5,703,340 | 9,363,137 | 6,630,085 | 6,630,085 |
| Net Assets - Unrestricted - End of Year | | 9,363,137 | 7,031,786 | 0 | 0 |

Final Budget History:

| Sources and Uses | FY 2003-2004 | FY 2004-2005 | FY 2004-2005 | FY 2005-2006 | Change from FY 2004-2005 | |
|--------------------|----------------|-------------------------|--|--------------|--------------------------|---------|
| | Actual Exp/Rev | Budget As of 6/30/05 | Actual Exp/Rev ⁽¹⁾ As of 6/30/05 | Final Budget | Actual Amount | Percent |
| Total Revenues | 10,670,587 | 11,012,539 | 7,891,492 | 8,455,314 | 563,822 | 7.14 |
| Total Requirements | 1,307,451 | 11,012,540 | 859,706 | 8,455,314 | 7,595,608 | 883.51 |
| Balance | 9,363,136 | (1) | 7,031,786 | 0 | (7,031,786) | -100.00 |

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2004-05 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Unemployment Insurance Internal Service Fund in the Appendix on page page 660

Highlights of Key Trends:

- The funding for unemployment claims is higher based on increases in unemployment benefits paid to separated employees. Increases in mandated weekly benefits resulted in increases in unemployment costs. The actuarial analysis of this fund has determined that the cur-

rent rate of .0015 of payroll being charged to County departments is appropriate to fund current claims and administration expenses and that there are current reserves sufficient to fund potential economic downturns or internal labor market issues.